Audit Division

Taxpayer Opinion Survey

May 2003

Planning Unit

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Audit Division Taxpayer Opinion Survey Summary of Results

May 2003 Mailing

On May 2, 2003, the Audit Division mailed 1193 taxpayer opinion surveys to taxpayers and tax representatives who had participated in a field audit. These field examinations were completed from October 1, 2002 through March 31, 2003. The purpose of the survey is to provide management with pertinent information to improve our audit processes and to minimize intrusiveness.

Of the 1193 surveys mailed, 192 were sent to Multistate Audit taxpayers and 1001 were sent to General Tax Audit taxpayers. By June 30, 2003 a total of 444 surveys were returned and are included in the results of this report. This is a response rate of 37 percent, a slight decrease from the November 2002 survey response rate.

Monitoring of taxpayer satisfaction with the administration of our audit program through the Taxpayer Opinion Survey and Correspondence Opinion Survey process is a success indicator in Audit Division's Business Plan for 2002-2003. The results of both May and November survey reports will be included in the bi-annual status reports of Audit Division's Business Plan.

Survey participation was voluntary. Participants responded anonymously and could provide additional comments.

Results of this survey mailing are summarized on the attached pages.

Findings

The following findings provide an overview of how survey respondents replied. Percentages are rounded to reflect 100% of responses.

Type of Examination

	No. Responding	%
Nonapportioning B & C	135	30%
Apportioning B & C	52	12%
Personal Income-CA Resident	111	25%
Personal Income-CA NonResident	18	4%
Partnership	9	2%
Subchapter S	101	23%
Limited Liability Company	1	1%
Estate/Trust	3	1%
Other	<u>14</u>	<u>2%</u>
Total	444	100%

Respondent's Role in Examination

	No.	%
Represented taxpayer during audit &	310	70%
prepared return Represented taxpayer during audit but did	69	15%
NOT prepare return		
Self (taxpayer)	53	12%
Other	<u>12</u>	<u>3%</u>
Total	444	100%

Communication Questions 1 through 8

1. We worked with you to schedule the appointment for a mutually agreeable date when we first contacted you for the audit.

	No.	%
A (Strongly agree)	251	57%
B (Agree)	143	32%
C (Neither agree/disagree)	11	2%
D (Disagree)	3	1%
E (Strongly disagree)	5	1%
F (Not applicable)	29	6%
Not included ¹	<u>2</u>	<u>1%</u>
Total	444	100%

2. It was clear what documents and records we needed for the first appointment.

	No.	%
A (Strongly agree)	194	44%
B (Agree)	201	45%
C (Neither agree/disagree)	15	3%
D (Disagree)	10	2%
E (Strongly disagree)	5	1%
F (Not applicable)	16	4%
Not included	<u>3</u>	<u>1%</u>
Total	444	100%

3. We kept you updated throughout the audit process.

	No.	%
A (Strongly agree)	176	40%
B (Agree)	189	43%
C (Neither agree/disagree)	41	9%
D (Disagree)	15	3%
E (Strongly disagree)	14	3%
F (Not applicable)	6	1%
Not included	<u>3</u>	1%
Total	$44\overline{4}$	100%

¹ Survey(s) received back with more than one answer marked.

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Communication Questions 1 through 8 continued

4. We followed up promptly throughout the audit process.

	No.	%
A (Strongly agree)	173	39%
B (Agree)	175	39%
C (Neither agree/disagree)	50	11%
D (Disagree)	20	5%
E (Strongly disagree)	18	4%
F (Not applicable)	3	1%
Not included	<u>5</u>	<u>1%</u>
Total	444	100%

5. We asked appropriate questions to gain a better understanding of your operations.

	No.	%
A (Strongly agree)	177	40%
B (Agree)	182	41%
C (Neither agree/disagree)	41	9%
D (Disagree)	11	2%
E (Strongly disagree)	11	2%
F (Not applicable)	16	4%
Not included ²	<u>6</u>	<u>2%</u>
Total	$44\overline{4}$	100%

6. Request for additional information during the audit process were understandable and clear.

	No.	%
A (Strongly agree)	185	42%
B (Agree)	185	42%
C (Neither agree/disagree)	31	7%
D (Disagree)	6	1%
E (Strongly disagree)	7	1%
F (Not applicable)	28	6%
Not included	<u>2</u>	1%
Total	444	100%

² Survey(s) received with more than one answer checked.

Communication Questions 1 through 8 continued

7. You could openly discuss with the auditor any issues regarding the interpretation and application of the law during the audit.

	No.	%
A (Strongly agree)	187	42%
B (Agree)	186	42%
C (Neither agree/disagree)	27	6%
D (Disagree)	10	2%
E (Strongly disagree)	9	2%
F (Not applicable)	20	5%
Not included ³	<u>5</u>	<u>1%</u>
Total	444	100%

8. You felt comfortable discussing any problems with the auditor, supervisor and/or program manager.

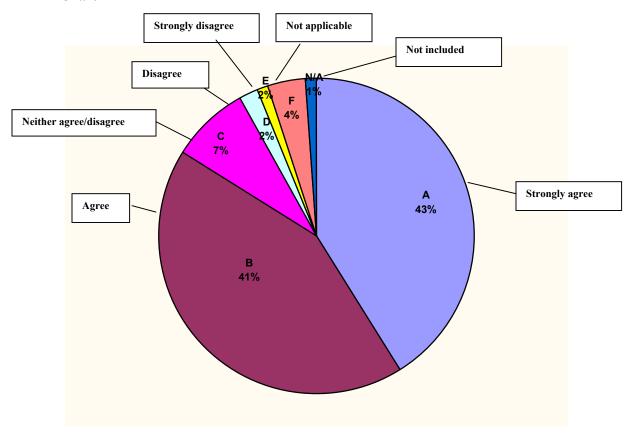
	No.	%
A (Strongly agree)	182	41%
B (Agree)	179	40%
C (Neither agree/disagree)	30	7%
D (Disagree)	8	2%
E (Strongly disagree)	7	2%
F (Not applicable)	33	7%
Not included	<u>5</u>	<u>1%</u>
Total	444	100%

³ Survey(s) received with more than one answer checked.

Communication Results (Summary)

In response to all eight questions on communication, an overwhelming majority of the respondents replied favorably when asked about communication issues between themselves and the Audit Division during the course of the examination. Please refer to Chart 1.

Chart 1



All Communication Questions

A (Strongly agree)	43%
B (Agree)	41%
C (Neither agree/disagree)	7%
D (Disagree)	2%
E (Strongly disagree)	2%
F (Not applicable)	4%
Not included ⁴	1%
Total	100%

⁴ Survey(s) received back with more than one answer marked.

Audit Procedures Questions 1 through 10

We made the purpose of the audit clear to you. 1.

	No.	%
A (Strongly agree)	180	41%
B (Agree)	207	47%
C (Neither agree/disagree)	31	6%
D (Disagree)	10	2%
E (Strongly disagree)	11	2%
F (Not applicable)	3	1%
Not included ⁵	<u>2</u>	<u>1%</u>
Total	444	100%

2. We provided a mutually agreeable date to complete the audit.

	No.	%
A (Strongly agree)	185	42%
B (Agree)	170	38%
C (Neither agree/disagree)	38	8%
D (Disagree)	12	3%
E (Strongly disagree)	16	3%
F (Not applicable)	21	5%
Not included	<u>2</u>	<u>1%</u>
Total	444	100%

We suggested or accepted reasonable alternatives if you could not provide the 3. specific data requested.

	No.	%
A (Strongly agree)	134	30%
B (Agree)	141	32%
C (Neither agree/disagree)	36	8%
D (Disagree)	13	3%
E (Strongly disagree)	10	2%
F (Not applicable)	106	24%
Not included	<u>4</u>	1%
Total	$44\overline{4}$	100%

⁵ Survey(s) received back with more than one answer marked.

Audit Procedures Questions 1 through 10 continued

4. We clearly stated the reasons for any proposed adjustments.

	No.	%
A (Strongly agree)	116	26%
B (Agree)	128	29%
C (Neither agree/disagree)	17	4%
D (Disagree)	6	1%
E (Strongly disagree)	7	1%
F (Not applicable)	167	38%
Not included ⁶	<u>3</u>	<u>1%</u>
Total	444	100%

5. You understood the written explanation summarizing all proposed adjustments.

	No.	%
A (Strongly agree)	124	28%
B (Agree)	123	28%
C (Neither agree/disagree)	15	3%
D (Disagree)	3	1%
E (Strongly disagree)	4	1%
F (Not applicable)	171	38%
Not included	<u>4</u>	<u>1%</u>
Total	444	100%

6. The computational schedules for the proposed adjustments were clear to you.

	No.	%
A (Strongly agree)	104	23%
B (Agree)	113	25%
C (Neither agree/disagree)	26	6%
D (Disagree)	7	2%
E (Strongly disagree)	5	1%
F (Not applicable)	185	42%
Not included	<u>4</u>	1%
Total	444	100%

⁶ Survey(s) received back with more than one answer marked.

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Audit Procedures Questions 1 through 10 continued

7. We gave you sufficient time to respond to the proposed audit adjustments before we closed the audit.

	No.	%
A (Strongly agree)	123	28%
B (Agree)	132	30%
C (Neither agree/disagree)	18	4%
D (Disagree)	0	0%
E (Strongly disagree)	3	1%
F (Not applicable)	160	36%
Not included ⁷	<u>8</u>	<u>1%</u>
Total	444	100%

8. You were satisfied with the amount of time it took to complete the audit.

	No.	%
A (Strongly agree)	172	39%
B (Agree)	166	37%
C (Neither agree/disagree)	50	11%
D (Disagree)	26	6%
E (Strongly disagree)	20	4%
F (Not applicable)	7	2%
Not included	<u>3</u>	<u>1%</u>
Total	444	100%

9. We conducted the audit in a professional, courteous and respectful manner.

	No.	%
A (Strongly agree)	260	59%
B (Agree)	153	34%
C (Neither agree/disagree)	14	3%
D (Disagree)	5	1%
E (Strongly disagree)	7	1%
F (Not applicable)	3	1%
Not included	<u>2</u>	1%
Total	444	100%

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⁷ Survey(s) received back with more than one answer marked.

Audit Procedures Questions 1 through 10 continued

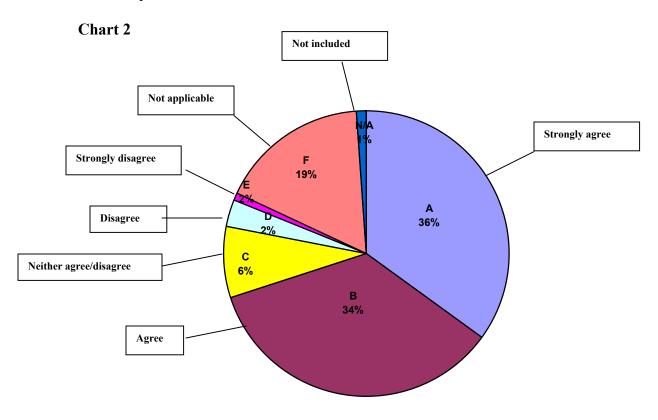
10. We conducted the audit efficiently and effectively overall

	No.	%
A (Strongly agree)	202	46%
B (Agree)	164	37%
C (Neither agree/disagree)	44	10%
D (Disagree)	15	3%
E (Strongly disagree)	12	2%
F (Not applicable)	5	1%
Not included ⁸	<u>2</u>	<u>1%</u>
Total	$44\overline{4}$	100%

⁸ Survey(s) received back with more than one answer marked.

Audit Procedures Results (Summary)

The majority of the respondents replied favorably when asked if the auditor adhered to our audit procedures. Please refer to Chart 2.



All Audit Procedures Questions

A (Strongly agree)	36%
B (Agree)	34%
C (Neither agree/disagree)	6%
D (Disagree)	2%
E (Strongly disagree)	2%
F (Not applicable)	19%
Not included ⁹	<u>1%</u>
Total	100%

⁹ Survey(s) received back with more than one answer marked.

Summary

As the results indicate, most of the survey respondents replied that the Audit Division is performing favorably in the areas of communication and audit procedures when conducting field examinations. This completes the Division's eighth mailing process of taxpayer's and representatives' satisfaction with Audit's work ethic, and the results provide the Division with timely information, which can be used for continuous improvement.

Management can use the results of these surveys for continuously training staff on improving the audit process, and for staff career development. Sharing this information with newly hired auditors will illustrate our commitment to our goal of providing excellent customer service to the public. In addition, management can address areas where staff efforts are needed to assist the Division in reaching 100% of its success indicators in the Audit Division Business Plan 2002-2003.